

CALIFORNIA GAMBLING CONTROL COMMISSION

2399 Gateway Oaks Drive, Suite 100 • Sacramento, CA 95833-4231

Phone: (916) 263-0700 • FAX: (916) 263-0452

**NOTICE OF PROPOSED RULEMAKING****TITLE 4. CALIFORNIA GAMBLING CONTROL COMMISSION****12355. Request for Approval Regarding Security Interests and Secured Transactions**

The California Gambling Control Commission ("Commission") proposes to adopt the regulation described below after considering all comments, objections, or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION: The Commission proposes to add section 12355 of Title 4 of the California Code of Regulations, concerning approval of secured transactions.

NO PUBLIC HEARING SCHEDULED AT THIS TIME

At this time, the Commission has not scheduled a public hearing. Any interested person or his or her duly authorized representative may request a hearing pursuant to Government Code section 11346.8 no later than 15 days prior to the close of the comment period.

WRITTEN COMMENT PERIOD**January 18 to March 4, 2008**

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission at any time during the 45-day public comment period. To be considered for summary and response, **all written comments must be received no later than 5:00 p.m., March 4, 2008.**

Requests for a public hearing or written comments for the Commission's consideration should be directed to:

Heather Hoganson, Counsel, California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231;
Fax: 916-263-0452, E-mail: hhoganson@cgcc.ca.gov

AUTHORITY AND REFERENCE

Authority for the proposed regulations is provided by various provisions of the Gambling Control Act, which may be found in Business and Professions Code sections 19800--19980. In particular, Business and Professions Code sections 19811, 19823, 19824, 19840, 19841, 19893, 19901, and 19951 provide specific authority.

The proposed regulation implements, interprets, or makes specific Business and Professions Code sections 19852, 19853, 19901, 19902, and 19904, which are included as reference citations in the proposed regulations.

INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

The Gambling Control Act (Business and Professions Code, section 19800 et seq.) provides the Commission jurisdiction over controlled gambling and all activity that is related to the conduct of controlled gambling. This includes licensing and reviewing secured transactions and security interests to ensure that individuals involved in the operation of controlled gambling hold the proper licenses. This proposed action outlines the procedures for requesting approval of a secured transaction or security interest and also provides exemptions from the approval process.

DISCLOSURES REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: These regulations do not impose a mandate on local agencies or school districts.

Cost or savings to any state agency: None.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code section 17561: None

Other non-discretionary cost or savings imposed upon local agencies: None

Cost or savings in federal funding to the state: None

Cost impact on representative private person or business: The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Impact on Business: The Commission has made an initial determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Significant effect on housing costs: The Commission has made an initial determination that the proposed regulatory action would not affect housing costs.

Effect on small business: Some cardrooms may be small businesses; to the extent that Small Business Loans are exempted from approval, this proposed regulation may have a beneficial effect on small businesses who obtain small business loans from a federally regulated or state regulated lending institution.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Commission must determine that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

ASSESSMENT REGARDING CREATION OR ELIMINATION OF JOBS IN CALIFORNIA

The Commission has made an assessment and determined that the adoption of the proposed regulation will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

CONTACT PERSONS

Inquiries concerning the substance of the proposed action should be directed to:

Heather Hoganson, Counsel, California Gambling Control Commission,
2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231;
Telephone: 916-263-0490, Fax: 916-263-0452, E-mail: hhoganson@cgcc.ca.gov.

Requests for a copy of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, or other technical information upon which the rulemaking is based should be directed to:

Gina Luna, California Gambling Control Commission,
2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231;
Telephone: 916-263-4600, Fax: 916-263-0499.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Commission will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at the office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the Initial Statement of Reasons. A copy may be obtained by contacting Gina Luna at the address or telephone number listed above or accessing the Commission's website at <http://www.cgcc.ca.gov>. Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the Regulations Coordinator or viewed on the website.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the comment period, the Commission may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly indicated, will be made available to the public for at least 15 days prior to the date on which the Commission adopts the regulation. Requests for copies of any modified regulation should be sent to the attention of Gina Luna at the address indicated above.

The Commission will accept written comments on the modified regulation for 15 days after the date on which it is made available.